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ER

Central Intelligence Agency



Washington, D.C. 20505

8 February 1985

022-85-0238/2

The Honorable G. William Whitehurst
House of Representatives
Washington, D.C. 20515

Dear Mr. Whitehurst:

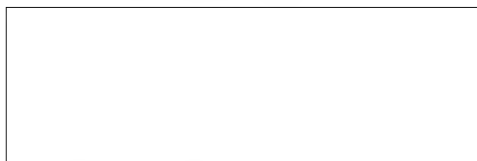
Mr. John McMahon has asked me to thank you for your interest as shown in your letter of 16 January 1985, and to respond in his absence.

As you know, the United States Government has for some time been conducting several programs in this region to promote economic progress and the democratic process. America's message is carried to the Eastern Caribbean in large part by the Voice of America, which broadcasts in several languages. United States themes and Western values are reinforced by BBC broadcasts in the region. It is our understanding that VOA has specific plans in train for significantly expanding its broadcast efforts in the Caribbean basin region, the most recent addition being the start-up of broadcasting from Costa Rica, 19 January 1985.

Additionally, hundreds of commercial stations are also broadcasting in several languages to the Caribbean region, utilizing both short- and medium-wave frequencies. Our experience is that many of these are heard clearly at night.

From our informal contact with officers of the Department of State, USIA, and the Agency for International Development -- those offices of the Government which have responsibility for such matters -- we gather that there is room for considerably additional expanded broadcasting, perhaps including approaches such as that which Mr. Allen Hundley recommends. His proposal has been examined by several of our officers, but whatever its undoubted merits, the CIA has no authority for conducting programs such as he suggests. If his proposals have not already been brought to the attention of State, USIA, and AID, we would urge that this be done.

Sincerely,



Executive Director

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C-352

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18	C/IPD/OIS				
19	C/LA/DO		X		
20					
21					
22					
		SUSPENSE	1 February 1985 Date		

Remarks

To 14: Please have response prepared. Our research indicates the Hundley paper most likely was made available to LA/DO

Executive Secretary

25 January 1985
Date

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G. WILLIAM WHITEHURST
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Congress of the United States
House of Representatives
Washington, D.C. 20515

January 16, 1985

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85- 216

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MORLEY J. HOWLE
OFFICE MANAGER

Mr. John McMahon
Deputy Director
Central Intelligence Agency
Washington, D.C. 20505

Dear John:

I recently met with Mr. Allen B. Hundley of Richmond, Virginia concerning a proposal he presented to "high level officials of the Agency in June." He tells me that the proposal was received quite favorably at that time, but that he has heard nothing since. I am writing in the hope that you will have someone run this down and determine just where it is at this point. If the CIA is proceeding with the project, then I would like to know at what level it is being pursued, and if not, the reasons for the Agency's inaction, if you can share such with me. For your reference, I am enclosing a copy of his recommendation.

I appreciate your looking into this and await your early response.

With kindest regards, I remain

Sincerely,

Bill

G. WILLIAM WHITEHURST

GW:MDW

Enclosure



BROADCASTING IN DEVELOPMENT - A REGIONAL APPROACH

by Allen Hundley

THE PROBLEM

The problems confronting the Caribbean basin nations are well documented, including most recently the report by the Kissinger Commission. Poverty, illiteracy, lack of economic opportunity, poor health standards, and low productivity all contribute to social and economic stagnation and the potential for armed conflict. What is needed is a two-pronged strategy in which people in the region are encouraged to use their own talents and resources to improve their living conditions and in which foreign investment is encouraged.

The most important target audience in the region is that which comprises the rural poor. In most countries of the western Caribbean basin this group represents a large portion of the population. It also represents an excellent target of opportunity for foreign subversives intent on undermining and eventually destroying existing governments in the region.

A second and also very important target audience are service professionals in the fields of education, health, and agriculture. Doctors, nurses, teachers, and agricultural extension agents must keep their knowledge and skills current with the latest developments in their respective areas of expertise if they are to provide the best and most effective service to their clients. This can often be a difficult task for those working in rural areas, adding to the frustrations of living in such areas and, for governments, of attracting qualified personnel who are willing to serve under such conditions.

These problems require urgent attention. The political and economic climate in the Caribbean Basin is deteriorating steadily. Effective actions are needed now if this dangerous trend is to be reversed. In the context of development that clearly means pursuing projects which

- draw on existing experience and success
- will not require five or ten or fifteen years to research, design, and build
- which do not depend on massive expenditures of dollars which Congress may never appropriate
- which will not be held up for months or even years by squabbling petty bureaucrats in the host country
- which will not collapse the moment U.S. government funding ceases.

The project to be proposed in this paper meets all of the above criteria.

A PROPOSED SOLUTION

Radio has demonstrated repeatedly that it is the most cost effective medium for disseminating information. It penetrates everywhere, even into the poorest and most remote home. One does not need to be able to read in order to benefit from it. It is a personal medium in its psychological impact and hence ideally suited for motivating people to action. A radio station is relatively cheap to construct and requires only a small staff, the members of which need minimal training compared to other media. A station can be constructed quickly and operated at minimal expense. Lastly, radio lends itself to coordinated development efforts employing other media such as print materials and television.

It is proposed that a single, relatively powerful station be constructed, probably on an island in the Caribbean, which will serve the educational needs of the western Caribbean Basin, i.e. the nations of Central America plus Columbia. While certain differences characterize these countries they are far overshadowed by similarities in language, culture, and level of economic development. In short they are alike in many more ways than they are different. In addition these countries are contiguous to one another and occupy a rather small geographic area.

All of these factors support the concept of a single station to serve the educational needs of the region. The idea is to bring together in one place the best writers, the best producers, the best on-air personalities, and the best technical and administrative talent to broadcast powerful, effective programs which motivate action.

There is however another potential contribution which such a station could make and which warrants serious consideration. The station might operate solely as an educational facility and broadcast only in Spanish. Alternatively it might be used to promote tourism, trade, and foreign investment by broadcasting at night to English speaking tourists visiting such resort areas as Cancun and Cozumel in Mexico; Jamaica; the Cayman Islands; and the Dutch Antilles.

Using this latter approach the station could even be made partially and possibly even completely self supporting through the sale of commercial air time to travel agencies, hotel chains, airlines, cruise lines, etc. Also, products from the region could be promoted.

There are two important reasons why such a commercial operation would not detract from the educational function of the station. Since the primary target audience is the rural poor, most of these people are without electric service and go to bed soon after local sunset. On the other hand there is a dearth of English language stations which can be heard clearly at night in the Caribbean, as visitors to Cancun and Cozumel can readily attest. Because the

region is south of the Tropic of Cancer seasonal variations in daylength are not great, with the result that the station could for example end its Spanish language transmissions at 7:30 p.m. and commence in English at 8:00 p.m., continuing until perhaps 2:00 a.m. With almost no competition the station is almost certain to be a success both educationally and commercially, with commercial revenues going to support the station's educational mission. (See Table I).

In recent years professionals in international development have become increasingly aware of the importance of local stations in reaching large numbers of rural people. Such stations often take the place of newspapers or even the postal service in the dissemination of information. Unfortunately many of these stations are poorly equipped, poorly maintained and poorly staffed besides having a limited coverage area. They have their role in social life but they will never be able to produce and distribute quality educational and instructional programs in the same way that a local educational TV station in the U.S. would never be able to produce a "Sesame Street". Programs produced for broadcast on the regional station could also be rebroadcast on the local station via a tape distribution system but this would not take the place of a centrally organized regional station for reasons to be detailed below.

ORGANIZATION OF THE PROJECT

The station would be run by a highly professional staff numbering about fifty and would be governed by a board of directors. The organization would probably be set up to function as a not-for-profit educational corporation or foundation, the exact legal character to be determined by the laws of the country of incorporation. The members of the board would be drawn from AID, the contracting institution or company, an organization with extensive experience in the field of radio education such as Columbia's renowned Accion Cultural Popular (ACPO), and a regional agricultural/scientific research institute such as the International Center for Wheat and Maize Development in El Batan, Mexico (CIMMYT) or the Center for Investigations of Quintana Roo State on Mexico's Yucatan peninsula. The latter especially has been conducting agricultural and energy research relevant to conditions in Central America. (It is also worth noting that both Columbia and Mexico are members of the Contadora Group, which is supported by the current administration).

Consideration might also be given to including on the board of directors an agricultural or health expert from one of the international lending agencies such as the World Bank or the Inter-American Bank. A board of directors of approximately the above composition gives international credibility to the project and diffuses the potential charge that the station is really a disguised effort at Yankee imperialism.

THE FACILITY

The facility should be located in a politically stable country friendly to the United States. Also it should be located so as to provide effective coverage of the entire western Caribbean region. An island is the logical choice because of the extraordinary conductivity of sea water for radio waves in the standard AM broadcast band. (Shortwave is not especially relevant because so few people have shortwave receivers. Even an inexpensive shortwave receiver is likely to cost ten or more times what an ordinary transistor AM radio will cost).

While there are a number of island sites which might be used, the best choice appears to be Providencia, about 150 miles off the coast of Central America and about 300 miles north of Panama. It is owned by Columbia and is part of the San Andres-Providencia group. Providencia is large enough to provide protection from storms and is sparsely populated so that local interference from a fairly large radio transmitter will not be a major problem.

Given the rather low cost of satellite links these days the studios could be located most anywhere. The programming would then be relayed via satellite to the transmitter site which might be manned only by technicians. However, there may be an important reason to locate the studios at the transmitter site on the island. This will be explained in detail below.

A transmitter of perhaps 250 KW will be required as well as a low operating frequency (e.g. 700 KHz. or below) and a tall tower if the entire region is to be served adequately. While 250 KW is large by U.S. domestic standards it is a pigmy compared to the 2,000 KW stations operating in Europe and the Middle East and smaller even than several stations already broadcasting in Mexico and the Dutch Antilles. Using a low frequency and a tall tower will maximize signal strength via ground wave propagation. If necessary a higher frequency could be employed although the design parameters become somewhat more complex because of a more pronounced skywave component.

The total cost of the transmitter, tower, building, and studios is estimated to be \$1.8 to \$2.0 million. Yearly operating costs are estimated to be \$1.0 to \$2.0 million, depending on a variety of factors including the size and composition of the staff, local energy costs, etc. Free housing for example might be provided for the staff, increasing the initial construction cost but paying for itself in the long run through somewhat reduced salary expenses.

Locating the station on an island has the additional advantage of insulating it from any civil unrest that may arise at a given point in time. In fact the transmitter itself could even be mounted in a small freighter anchored

next to the island if security were of primary concern. The tower would still have to be situated on land however if maximum signal strength were to be attained, it being impractical to mount a 800-900 ft. tower on a floating platform. On the other hand a ship would provide minimal operating quarters for the station, along with maintenance facilities, diesel generators for power, storage tanks for fresh water, etc. Thus, in the event that political or other circumstances warranted the transfer of the station to another location, such a move could be accomplished quickly and easily. However, the costs of operating and maintaining even a small merchant vessel are not inconsiderable and should be studied carefully before this approach can be considered economically viable. Note that the initial cost of the vessel would probably not be a major factor because of the number of suitable ships seized by U.S. drug enforcement authorities and either given to other government agencies or auctioned off to the general public. No doubt some expense would be involved in overhauling the vessel and making the necessary modifications but I am told by a prominent naval architect (actually the director of the U.S. Navy's battleship modernization program) that such modifications would be quite easily accomplished.

PROGRAMMING

The goal of the project is to provide rural people of little or no education with some practical new knowledge and then motivate them to use it. Simply putting some educational programs on the air guarantees neither. The radio audience is not a captive one. If people don't like what they hear or find it boring or irrelevant they will tune away to a station they find more interesting or enjoyable.

Therefore, if the project is to succeed it is imperative that it employ the same kind of audience building techniques that are used by commercial stations in both the U.S. and Latin America. In short, American public radio is not the model. Commercial radio is. Obviously the situation is different with respect to in-service instructional programs for nurses and teachers but during those times of the day when the primary target audience is the rural poor the programming on the surface will sound much more like an ordinary commercial music station than like either a station run by the Ministry of Information or a noncommercial educational station.

Translated into specifics that means hiring radio announcers who either are or could have been successful radio personalities in commercial broadcasting. At the same time they must also be able to identify with rural people and their needs and concerns. These announcers will be point men for social change. They

need to be down-to-earth, personable, and of high integrity so as to build a bond of trust with their listeners. One picture may be worth a thousand words but one word from someone we trust is worth a million posters produced by faceless bureaucrats in some faraway capital city.

Much of the programming will probably consist of popular music. But between the songs will be the "commercials" some of which might be short health announcements while others might be features as much as five to ten minutes long dealing with agricultural practices or how to build energy efficient stoves.

INTEGRATING BROADCASTING WITH RURAL DEVELOPMENT

This project offers the opportunity to implement a powerful, innovative motivational strategy by directly involving the station and its staff in research in rural development. If the staff with their families were housed at the station which was itself located in a rural area, the staff members themselves could try out some of the ideas being promoted in their programming. That is, they would be practicing what they preach and reporting on the results. Being able to talk about their own first hand experiences with a new gardening or food storage technique would add dramatically to the credibility of the station's on-air personalities. It is an application of what I term the "Godfrey Principle". During the 1950's and even into the 60's Arthur Godfrey was the most popular and trusted figure in American entertainment. The reason was because he had a habit of testing out for himself live on the air the products in the commercials he was reading. The classic example is the time when, after reading a spot for Lipton's new instant soup "with real pieces of meat", he put the script aside, opened up a package, emptied it on the desk in front of him, and proceeded to count the number of pieces. That kind of down to earth honesty gave heart attacks to network advertisers but he didn't lose many because Godfrey's endorsement of a product was worth its weight in gold. Those with clearly inferior products soon learned to advertise elsewhere.

In order for the radio staff to become deeply involved in the rural community research and development process the station will have to be located either in a rural area or on an island where there is adequate room for agricultural test beds, etc. However such a location has the added advantage of screening out those who do not really identify with the people they are to serve. Those who long for city life are simply not likely to be effective in communicating with rural folk. In addition the station might also be used to train broadcasters from the Caribbean region in a wide variety of skills, from writing and production to engineering maintenance.

AN ALTERNATIVE STRUCTURE

Instead of direction by a board of directors drawn from various organizations the project could be structured as a purely "commercial" broadcasting venture. No doubt there are a number of suitable channels, especially in the Miami area, through which this could be accomplished. Or perhaps a group of offshore investors might come forward.

Under this plan the station would start as an English language commercial station with daytime Spanish language commercial operations beginning soon afterward. Obvious advertisers for the latter include Coke, TACA Airlines, Eastern Airlines, breweries, etc.

One other option deserves mention. This paper has focused on a station to be located in the western Caribbean. There is of course a large Spanish language audience in the eastern Caribbean, in the Dominican Republic for example, which could benefit from a broadcast service of this kind. The station could be located in the Turks and Caicos islands between the Bahamas and the DR, which as before could broadcast in English at night to a tourist audience in the region.

Interestingly, the commercial potential of the latter has not been lost on U.S. investors. Quality Media Corporation of Columbus, Georgia is preparing to build a 50 Kw station in the Turks and Caicos, apparently satisfied that sufficient revenue can be generated to make the station a commercial success.

Another group of investors from the States might decide to build a competing station, joined perhaps by a group of Dominican businessmen who see sizable profits from one very powerful station broadcasting in Spanish to the DR during the day. Or Quality Media could decide to sell out if a suitable offer were made, especially with the prospect of well funded competition.

A more detailed technical description of the proposed station can be obtained by writing or calling

Allen B. Hundley
21 Malvern Avenue
Richmond, VA 23221
(804) 358-9369

TABLE I

ESTIMATE OF POTENTIAL REVENUES FROM LIMITED COMMERCIAL OPERATION
OF A CARIBBEAN REGIONAL STATION

The figures below represent a very rough estimate of the potential revenue which might be generated by a powerful AM station broadcasting in English to tourists in the western Caribbean basin. Since no such station currently exists the figures were generated based on current broadcast standards and practices in the U.S.

- The estimates assume in all cases that the station will broadcast to a tourist audience no more than six hours per day, 365 days per year, i.e. 8 pm to 2 am.
- The number of commercial "spots" per hour is representative of an easy listening FM format. The actual format might be very different with many more spots.
- For purposes of comparison the top one-minute rate for WGMS, a commercial classical music station in the highly competitive Washington, D.C. market is \$160. Therefore, an average spot rate even as high as \$50 is not at all unrealistic although it might take several years of operation to attain that level.

# spots/hr.	average rate	revenues/week	revenues/year
8	\$20	\$6,720	\$349,440
8	30	10,080	524,160
8	40	13,440	698,880
8	50	16,800	873,600
10	20	8,400	436,800
10	30	12,600	655,200
10	40	16,800	873,600
10	\$50	\$21,000	\$1,092,000

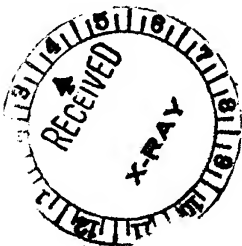
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Mr. John McMahon
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